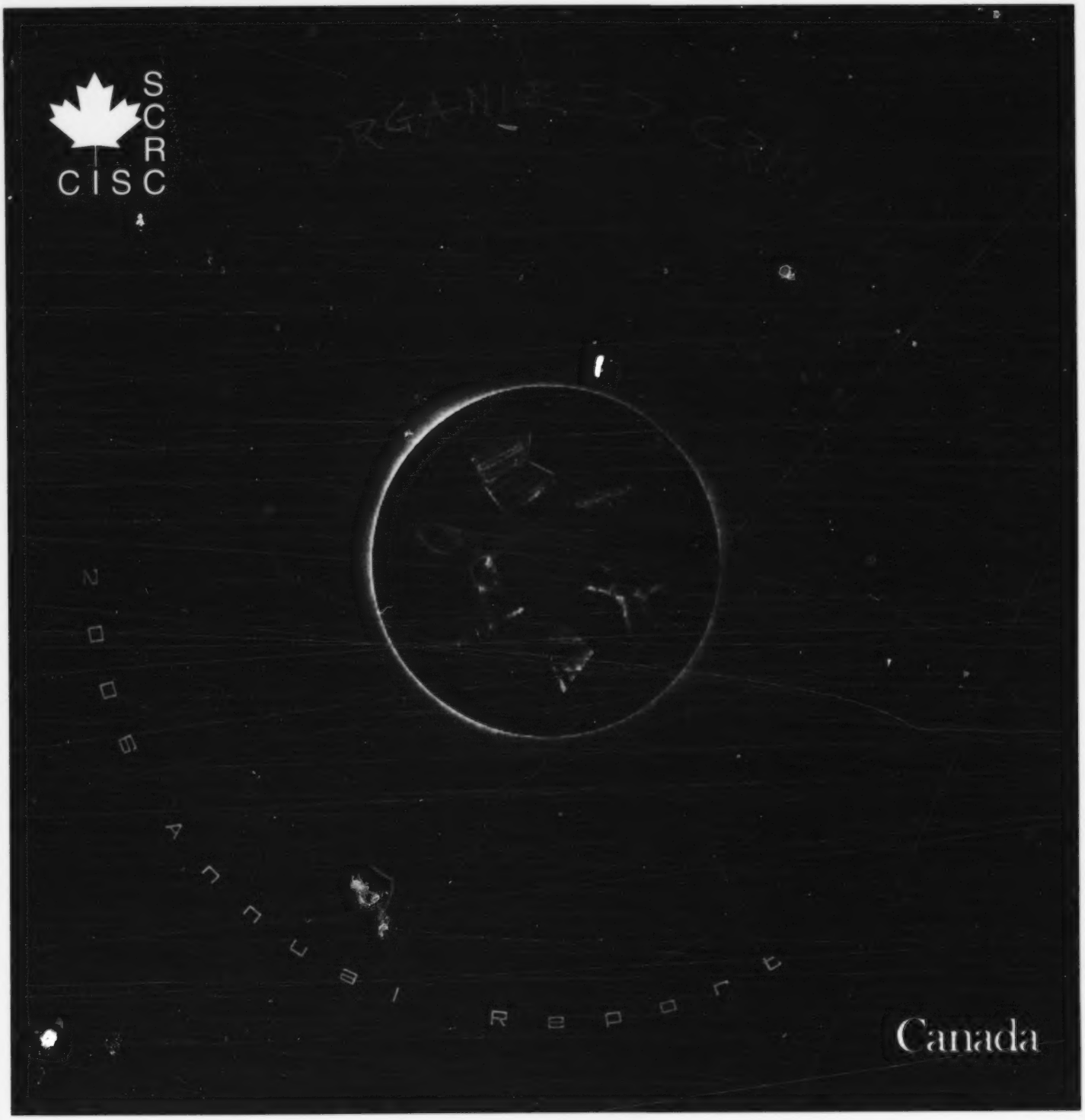
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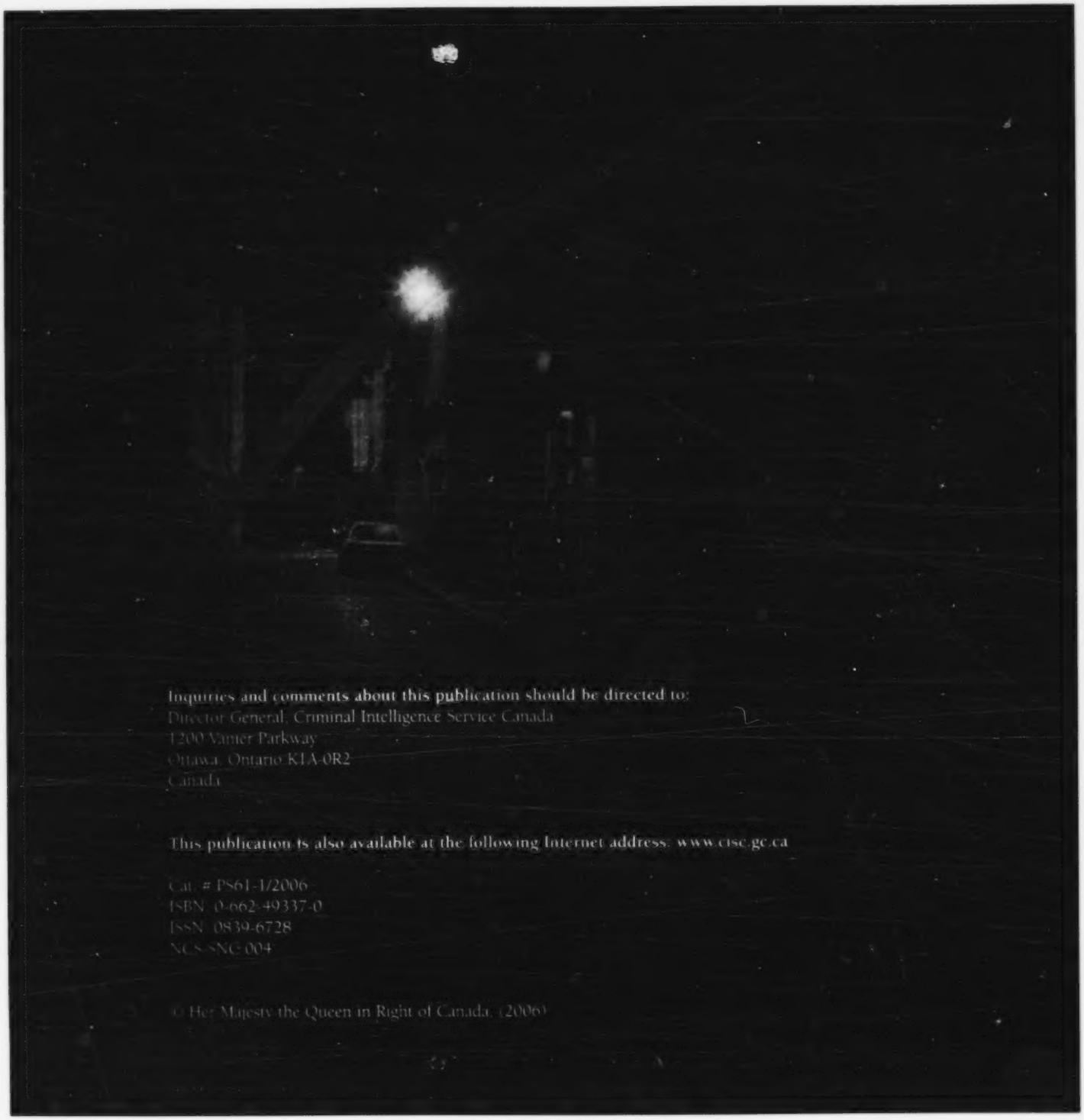

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Criminal Intelligence Service Canada

2006 Annual Report on Organized Crime in Canada

Research for this report concluded on 2006-07-06

Note: References to organized criminal activity associated with particular ethnic-based organizations are not meant to suggest that all members of that specific ethnic group are involved in organized crime or that the government of the country of origin or its authorized agencies permits or participates in any illegal activities. These references allude to the illegal activities of particular criminal organizations, the majority of whose members share ethnic origins.

Message from the Chair

Criminal Intelligence Service Canada
RCMP Commissioner Giuliano Zaccardelli

I am proud to introduce the *2006 CISC Annual Report on Organized Crime*. As a national leader in the fight against organized crime, CISC recognizes that public support for law enforcement initiatives and programs is vital to our continued success. This report demonstrates our commitment to educate and inform the public about the negative impact criminal organizations have on Canadian society.

Despite the pervasiveness of organized crime, there continues to be a misconception that it lurks in the shadows of society, not affecting the average person. Nothing could be further from the truth.

The socio-economic harm caused by organized crime affects all of us, indirectly or otherwise. As a society, we can ill afford to allow these criminal groups to expand their criminal enterprises at the expense of our physical and economic security.

Globalization and technological sophistication no longer represent new trends in organized crime – they are the entrenched reality. Yet advances in technology continue at a rapid pace, and along with it, so too will the methods and capabilities of organized crime groups. The criminal intelligence community must work together to face this challenge.

With this in mind, CISC continues to provide leadership to the criminal intelligence community by embracing a truly integrated approach. This network of member agencies facilitates the effective and timely sharing of criminal intelligence across all levels of law enforcement – a crucial factor in the ability to detect, disrupt and dismantle criminal organizations.

I believe this document will help illustrate the current state of organized crime in Canada, while reinforcing CISC's commitment to ongoing communication with the Canadian public.

Message from the Director General

Criminal Intelligence Service Canada
Sandra Conlin

Organized crime exacts a heavy toll on Canadian society.

Although not always obvious, the effects of organized crime are felt by all of us. We may feel this impact through a diminished sense of personal and economic security, higher insurance costs, or fewer tax dollars to fund social programs.

Organized crime also harms Canada by putting illicit drugs in the hands of addicts, introducing dangerous counterfeit products into the marketplace, treating human beings as a commodity, or defrauding the public of their hard earned dollars.

One thing we know for certain – organized crime is never victimless.

Working to diminish the harm caused by organized crime is a primary goal of CISC. Together with our provincial bureaus and member agencies, CISC puts into practice a truly integrated methodology for the collection, analysis and sharing of vital criminal intelligence and information.

This integrated approach unites the national criminal intelligence community, bringing together law enforcement partners at the municipal, provincial and national levels. By combining our collective expertise and resources and using technology to ensure timely access to information, the result is truly greater than the sum of our parts.

However, this is not to say that we are winning the battle against organized crime on all fronts. Experience has taught us that wherever there is money to be made by illicit means, organized crime will be there. We also know that criminal groups will continue to conduct their illicit activities with little regard for who is harmed, and they will strive to enrich themselves at the expense of whomever stands in their way.

This report reflects the collective efforts of the entire criminal intelligence community in Canada. It is our sincere hope that through this report, the public will gain a better understanding of the numerous ways that organized crime can affect our daily lives.

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About CISC

As the voice of the Canadian criminal intelligence community, the fundamental purpose of CISC is to facilitate the timely and effective production and exchange of criminal intelligence, while providing leadership and expertise to CISC member agencies in their efforts to detect, reduce and prevent organized and serious crime affecting Canada.

CISC consists of a Central Bureau in Ottawa that liaises with and collects information and intelligence from ten provincial bureaus that serve all of Canada's provinces and territories. The provincial bureaus operate independently while maintaining common standards in the delivery of their products and services.

Membership

CISC membership includes more than 380 law enforcement agencies across the country. These agencies supply criminal intelligence to their respective provincial bureaus for further analysis and dissemination. The provincial bureaus in turn provide their findings to Central Bureau for analysis at a national level and the creation of strategic criminal intelligence products and services.

ACIIS

CISC's member agencies collaborate in the exchange of criminal intelligence by contributing to the Automated Criminal Intelligence Information System (ACIIS), an on-line database. ACIIS is the Canadian law enforcement community's national repository for criminal intelligence and information on organized and serious crime and is only accessible to the law enforcement community. Central Bureau is the custodian of ACIIS, which it manages on behalf of, and in consultation with, all CISC member agencies.

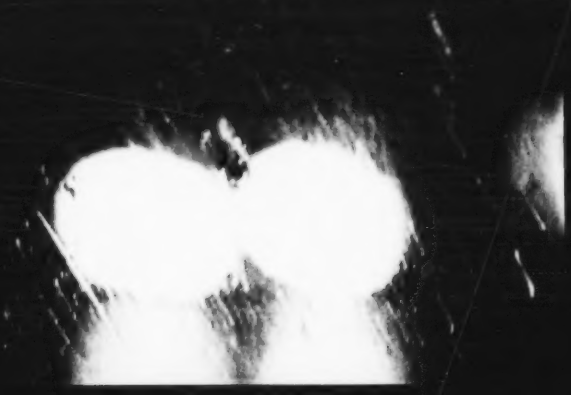
Governance

CISC is governed by the CISC National Executive Committee, which is comprised of 23 leaders from Canada's law enforcement community and chaired by the Commissioner of the RCMP. This Committee meets twice annually to review the operation of CISC and to decide on communal goals. The Director General of CISC, who heads Central Bureau, is secretary to the National Executive Committee and coordinates the efforts of all provincial bureaus in providing criminal intelligence products and services. The Directors of the Provincial Bureaus meet quarterly with the Director General of CISC to discuss organized crime issues and forward recommendations and resolutions to the Executive Committee.

Staff

The staff of Central Bureau consists of RCMP employees and secondments from other law enforcement agencies. Secondments at Central Bureau currently include: Canada Border Services Agency, Department of National Defence, Ontario Provincial Police, Ottawa Police Service, Service de Police de la Ville de Montréal and the Sûreté du Québec. CISC's Central Bureau receives administrative and financial support from the RCMP through its National Police Services, which provides essential front-line support services to the law enforcement community in Canada and abroad.

Introduction



With a network stretching across the country, CISC is well positioned to assess the significant issues and trends relating to organized crime in Canada. In this year's annual report, CISC continues the approach it began last year of examining organized crime through the framework of the criminal marketplace. This report identifies and highlights a variety of criminal markets and the threats they pose to communities across Canada.

The Feature Focus section – a new addition to the annual report – is intended to highlight a particular aspect of organized crime. This year's topic is street gangs, an organized crime threat currently generating significant concern in the public forum.

Criminal organizations strive to keep their operations hidden from public view. This explains, in part, why the effects of organized crime are not always evident. Regardless, the adverse effects of organized crime touch all Canadians. Some forms of criminal activity are highly visible and affect individuals and communities on a daily basis. For example, criminal groups involved in street-level drug trafficking, robberies, assaults and intimidation in some communities can contribute to a culture of fear and foster a general sense of insecurity. Organized criminality can also pose distinct public health and safety threats, such as those resulting from marihuana grow operations and illicit drug manufacturing laboratories. Many harmful effects of organized criminality are far-reaching and long-term in nature, undermining Canadian institutions, the economy, and quality of life. It is often difficult to conceptualize how these threats directly affect Canadians; however, criminal activities such as vehicle theft, payment card fraud and mortgage fraud are examples of long-term financial threats to Canadian institutions and consumers.

The covert nature of organized crime necessitates that law enforcement establish partnerships with policy makers and the public to raise awareness and garner support for law enforcement's efforts to minimize the organized crime threats that are present in multiple criminal markets.

Dynamics
of Organized Crime Groups

In 2006, the CISC criminal intelligence community identified nearly 800 organized crime groups operating in Canada. While many of these groups remain concentrated in and around major urban centres, a significant number operate from smaller communities across the country. Organized crime groups can be found virtually everywhere there is profit to be made from criminal ventures.

In the past, organized-crime had ethnic origins. Today, rather than focussing on ethnicity, law enforcement must view organized crime on a commodity or crime category basis.

Chief Constable Jamie Graham, Vancouver Police Department

Just as Canada has become a more multicultural society, so too have many organized crime groups. Multicultural criminal organizations are increasingly evident, particularly among newly established and emerging groups, often as a reflection of the multi-ethnic demographics of their locale. Although cultural ties remain an influencing principle within the organized crime landscape, multi-ethnic groups can be based on the criminal capabilities of members rather than on their ethnic or cultural heritage.

Organized crime groups exploit legitimate businesses, professionals and other community members to assist them in their criminal ventures and launder their criminal profits. In some instances, providers of this assistance may be unaware of their exploitation, while others, lured by the profits, either remain silent about possible suspicions or knowingly participate.

Criminal groups target a wide range of professions with specialized skills in the legitimate economy, attempting to coerce or corrupt some individuals. For example, those within the commercial transport industry may be targeted to facilitate the movement of contraband. Other skills valued by criminal groups are those within the financial industry that facilitate money laundering or the concealment of proceeds of crime. While these individuals may be recruited from a wide range of professions, they represent only a small percentage of their peers.

Structure of Organized Crime Groups

There is no dominant structure for organized crime groups in Canada. Group structures can vary from hierarchical in nature, most notably exemplified by outlaw motorcycle gangs (OMG), to less-structured groups consisting of individual cells coalescing around dominant personalities.

As well, law enforcement is identifying crime groups that are based on temporary alliances of individual criminals who merge their particular skills to better achieve success in specific criminal enterprises. Once a specific criminal venture is completed, these individuals may continue to collaborate on further criminal activities, or the group may dissolve. Although the individuals may go their separate ways, they sometimes reform into new groups based upon the skill requirements of new criminal opportunities. The nature and success of such networks are largely determined by individual characteristics and skills among those who act as their component parts. Such individuals may not regard themselves as members of a criminal group, and may not be regarded as part of a criminal group by outsiders.

Capabilities of Organized Crime Groups

There are varying levels of criminal capabilities amongst organized crime groups across Canada. At present, those with higher levels of criminal capabilities are largely represented by a number of Asian criminal groups in the B.C. Lower Mainland and southern Ontario, some Italian crime groups in Ontario and Quebec, certain Hells Angels chapters in B.C., Ontario and Quebec, and several independent groups across the country. This relatively small number of criminal groups is distinguished by their large-scale, sophisticated operations involving the importation, manufacture or distribution of a wide variety of contraband, as well as through financial crimes such as fraud and money laundering. However, these kinds of criminal groups have demonstrated an ability to shield themselves from disruption by law enforcement and rival criminal groups. A small number of street gangs, in British Columbia and Alberta, also have relatively sophisticated criminal capabilities; however, these are limited to a regional involvement in illicit drug distribution.

Dynamics
of Organized Crime Groups

While the majority of criminal groups across Canada operate at a lower level of criminal capability and participate at a more limited scope and magnitude within their criminal markets, they can still pose serious criminal threats. Most Eastern European and independent criminal groups and the majority of street gangs have lower levels of criminal capabilities. A number of Hells Angels chapters across Canada and other outlaw motorcycle gangs operate at a lower level of criminal capability that is often limited to distributing smaller amounts of contraband, such as illicit drugs, within a localized area.

The challenge for policing today is to keep pace. Partnership is indeed the defining feature of the new environment for policing in Ontario and for policing nationally and internationally.

Commissioner Gwen Boniface, Ontario Provincial Police

Crime groups operating at a lower level are often more visible to the public, with some directly affecting the daily lives of individuals and communities, particularly the groups that use high levels of violence and intimidation. As a result, these groups potentially pose a more direct and immediate threat to the public safety of Canadians than higher-level groups whose threat may be more indirect and long term. Many street gangs across Canada have been identified as having this lower-level criminal capability but with a corresponding high propensity for violence that can be random, spontaneous and conducted within a public setting.

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Characteristics and Methods

The City of Montreal Police Service implements strategies to take aim at the types of crime which are the greatest source of concern for citizens. Its efforts include the fight against street gang activities—a new form of organized crime—and violent crimes, which both have a direct impact on the community's sense of security.

Director Yvan Delorme, Montreal Police Service

Organized crime groups in Canada use various means to conduct their illicit activities. The following section highlights some of the most prevalent characteristics and methods.

Violence and Intimidation

Most criminal groups use violence and intimidation as a means to accomplish various criminal objectives. This violence can be categorized as strategic or tactical. Strategic use tends to be employed most often by groups with higher-level criminal capabilities. Careful planning is used to advance multiple criminal activities, retaliate against other crime groups, or corrupt legitimate businesses as well as legal and government systems. In contrast, the tactical use of violence is typically opportunistic, and is carried out in the pursuit of short-term goals that may be in defence of the crime group's share of a criminal market. It is often spontaneous in nature with an increased likelihood of occurring in a public setting, thus posing a particular risk to public safety. Some groups with lesser criminal capabilities, such as most street gangs across Canada and some independent groups in the B.C. Lower Mainland, are particularly involved in this type of violence.

Technology and Crime

Criminal groups are increasingly targeting communication devices to obtain sensitive personal and financial information in order to undertake theft and fraud. Mobile wireless devices, particularly those with integrated voice and data systems like personal digital assistants or some cell phones, remain vulnerable to attacks. As instant messaging is expected to expand signficantly, criminals will use malicious codes to target communications devices and compromise the sensitive personal and corporate information they contain. Malicious software will increasingly target voice-over-Internet protocol (VoIP) and wireless networks as this technology grows in popularity, as well as social networking sites that typically feature an interactive network of blogs, user profiles, photos and an internal e-mail system.

Criminal organizations have increased their ability to acquire and implement the most recent technology into their criminal acts of fraud. Cloned cellphones, spoofed websites and the theft of or unauthorized access to database information are just some of the methods criminal organizations are currently using.

Phonebusters - The Canadian Anti-fraud Call Centre

Money Laundering

According to the International Monetary Fund, an estimated $22 to $55 billion is laundered annually in Canada. Criminal groups will continue to exploit domestic financial institutions for money laundering purposes. Some organized crime groups launder their own proceeds while others contract out this service, particularly when the amount exceeds the group's capacity to launder or the method of laundering requires specialized skills. Criminal groups typically seek to insulate themselves from the laundering process through the use of third parties, financial professionals and other financial intermediaries, such as online payment systems, currency exchanges and shell companies.

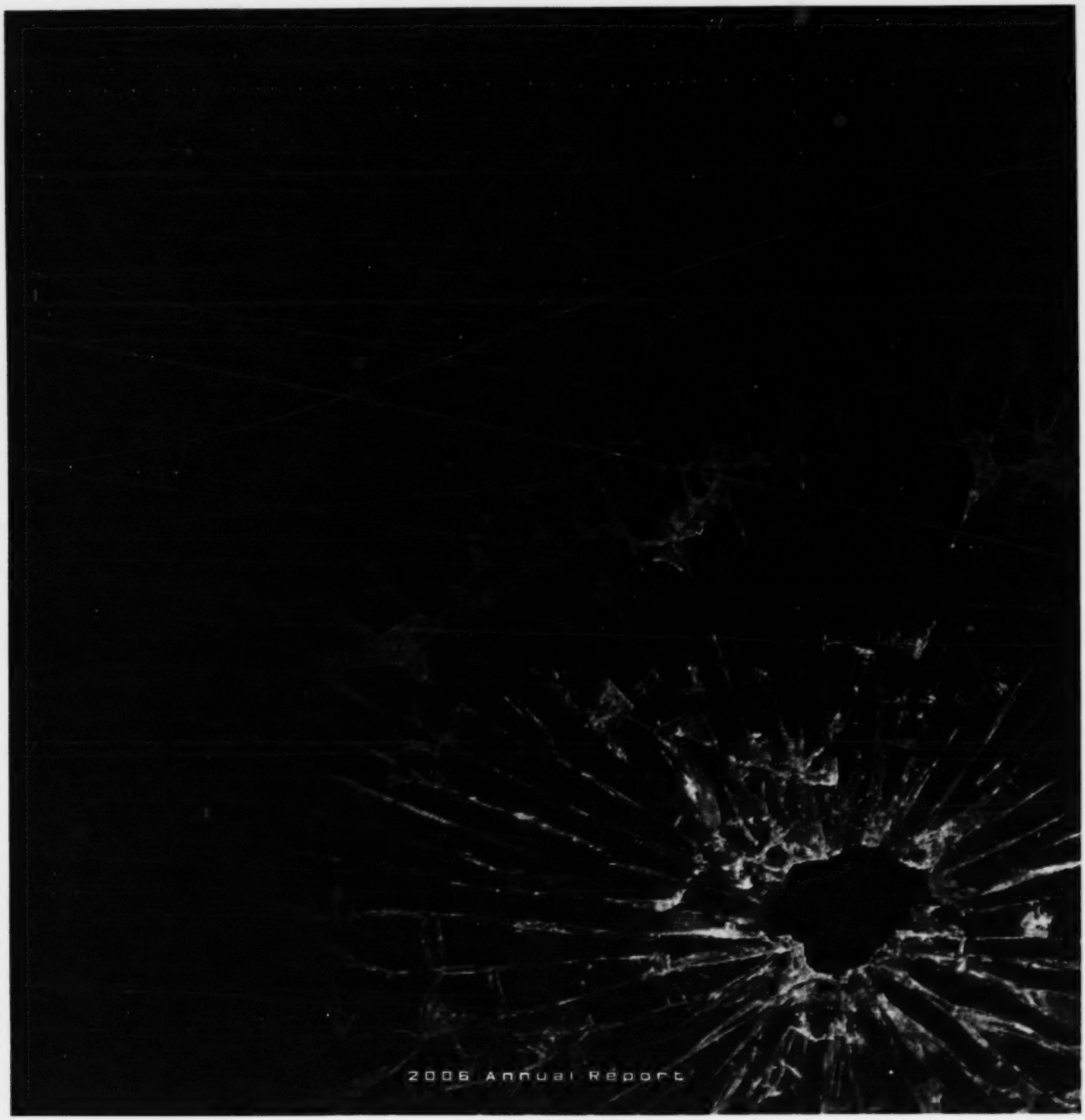
RCMP 1000796

Criminal Exploitation of International Borders

Criminal organizations, such as Aboriginal smuggling groups operating on border reserve areas, remain involved in smuggling contraband across the Canada/U.S. border. As well, a number of strategically located individuals, such as some border residents and port employees, play varying roles in the illegal cross-border movement of people and commodities. Border entry points and the areas between these points are vulnerable to criminal exploitation as crime groups adapt smuggling strategies in response to enforcement scrutiny.

Criminal Exploitation of the Legitimate Economy

Canadian-based companies are vulnerable to exploitation by both domestic and foreign-based criminal groups. Businesses around the world continue to be targeted in schemes ranging from fraudulent telemarketing and extortion to stock market manipulation. Investments in legitimate businesses can also facilitate numerous criminal activities. In addition, some organized crime groups hide cross-border smuggling within the trade of legitimate goods, through import-export flows, or through companies involved in the transportation industry. Criminal exploitation of the legitimate economy continues to represent substantial short- and long-term financial threats to the legitimate business community and the domestic economic infrastructure.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Criminal Markets

Through the framework of the criminal marketplace, CISC highlights a variety of criminal markets that operate across Canada. Organized crime groups may intentionally concentrate upon a single or limited number of criminal markets, or they may be constrained by their criminal capabilities within a certain market. Some organized crime groups are involved in several criminal markets simultaneously, though group involvement may vary from one sector to the next.

Criminal markets are dynamic and evolve over time as they react to market forces, such as supply and demand, competition from other organized crime groups, technological developments and disruption by law enforcement. There are inter-dependencies or linkages between various criminal markets in that illicit activities in one sector may facilitate crimes in another.

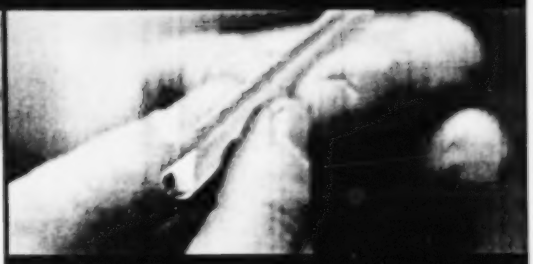
Current market conditions, such as the expansion of marihuana and ecstasy production and distribution, and the spread of crimes such as mortgage fraud, are favourable to the development of new groups and the expansion of existing groups. Existing and developing technologies also create favourable market conditions for the emergence or expansion of criminal groups.

Considering the increasingly sophisticated, pervasive and globalized nature of organized crime, it is critical that the Canadian law enforcement community optimizes its capacity to collect and share criminal intelligence information in a timely fashion.

RCMP Deputy Commissioner Peter Martin, National Police Services

The numerous criminal actors within criminal markets move in and out of roles, expand or contract their criminal activities in response to law enforcement or competitive pressures, and form short and long-term criminal alliances of mutual benefit. There is often overlap between the legitimate commercial marketplace and the criminal marketplace. At this cross-over, there are individuals who operate in each environment, often simultaneously. The number of organized crime groups, their changing inter-relationships and specific market dynamics contribute to the complexity of the Canadian criminal marketplace.

Nationally, most criminal markets, such as illicit drugs or counterfeit goods, appear highly resistant to long-term disruption. Law enforcement operations are able to dismantle some criminal groups completely, causing the group to dissolve. Others are incapacitated on a more temporary basis, demonstrating a surprising ability to recover from law enforcement disruption in the long term. In some cases, crime groups are able to remain active while key players are incarcerated. Temporary voids in criminal markets resulting from successful law enforcement operations can serve as opportunities for other crime groups to exploit.



Illicit Drugs

The Canadian illicit drug market is dynamic and diverse, involving a wide range of drugs from domestic and foreign sources. These drugs are distributed across the country by criminal groups operating at all levels of capability and scope. Approximately 80% of crime groups identified in Canada are involved in the illicit drug market, particularly as street-level traffickers. A smaller proportion of crime groups are involved in the more complex aspects of the illicit drug market, such as marihuana cultivation, synthetic drug production, importation from source countries or wholesale distribution.

Criminal Markets

Marihuana is both the most consumed and most produced illicit drug in Canada, involving a wide range of crime groups and generating significant illicit profits. It is cultivated in large quantities across the country, particularly in British Columbia, Ontario and Quebec, often in large-scale grow operations.

Cocaine also continues to be in high demand in most areas of the country, particularly major urban centres. As there is no domestic source, it is smuggled either directly from source countries in South America, or through transit countries in the Caribbean, Mexico and the United States. Cocaine is distributed primarily by organized crime groups capable of wholesale distribution with higher criminal capabilities, such as some Asian, Italian, or independent criminal groups as well as several Hells Angels chapters.

Heroin is smuggled into Canada from source countries in southeast and southwest Asia and South America for wholesale distribution by a variety of independent and Asian organized crime groups. These groups are frequently connected by cultural and familial ties and use smaller networks to distribute the drug across Canada.

Organized crime is involved in the importation of chemical ingredients for the manufacture of synthetic drugs, particularly ecstasy and methamphetamine, which are then distributed across Canada, and sometimes into the U.S.

Communities across Manitoba are discovering that there is a very real link between minor property crimes in rural and urban communities and major organized crime. Drug addicts break into homes and cars to feed habits driven and encouraged by criminal gangs doing a multi-million dollar business.

RCMP Assistant Commissioner Darrell Madill, Commanding Officer, D Division (Manitoba)

Methamphetamine production and distribution are particularly evident in B.C. and the Prairies. Significant quantities of ecstasy produced in Canada are smuggled to the United States and, to a lesser extent, to Pacific Rim countries such as Japan and Australia.

The use of crack cocaine and methamphetamine varies across Canada but both appear to occupy only "niche" markets with a limited consumer base.

Firearms

Illicit firearms are used by most criminal organizations to a certain extent. While the demand is continuous, it is tempered to some degree by the fact that firearms are a reusable commodity, unlike other contraband (such as illicit drugs) that involve a cyclical process of consumption and resupply. The main sources of illicit firearms are domestic thefts or those smuggled into Canada from the U.S. It is difficult to attach numeric values to these two components as a means to quantify their scope and magnitude.

Financial Crime

Numerous criminal groups across Canada are involved in a wide range of financial frauds. In many cases, these criminal groups operate across jurisdictions (within Canada or internationally) in order to access more victims and lessen the chances of detection.

Criminal groups continue to target Canadians' personal and financial information. Methods of obtaining this data range from mail or garbage theft to more sophisticated means such as modifying point-of-sale terminals (where payment cards are swiped to pay for goods), compromising corporate databases or through black market websites that sell stolen data.

According to a November 2005 Ipsos-Reid study, 77% of Canadians are very or somewhat concerned about becoming a victim of identity theft, and 65% of Canadians have experienced some form of identity theft or attempted identity theft. This includes phishing attempts (24%), fraudulent use of credit cards (15%), stolen credit cards (12%), and people who have been victims of phishing (14%).

Criminal Markets

Several criminal groups are involved in cross-jurisdictional telemarketing fraud that can extend internationally. Because this type of mass marketing fraud is designed to reach a wide population and often targets vulnerable members of society, it has a high probability of affecting Canadians. Furthermore, Canadian-based criminal groups continue to pose a significant financial threat to the U.S. public, as a sizeable component of fraudulent telemarketing in the U.S. originates from Canada.

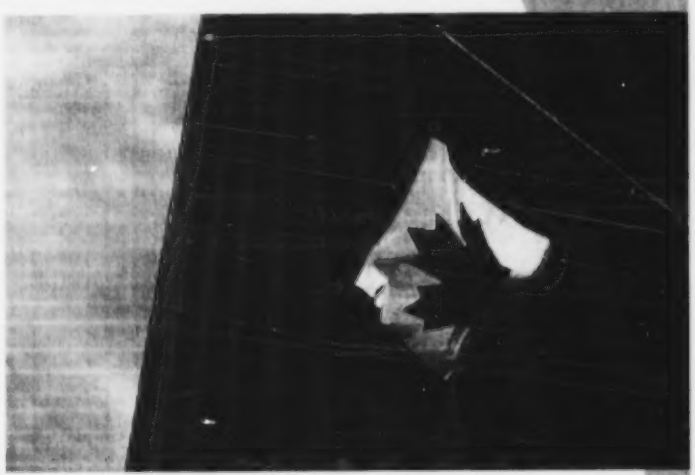
Organized crime is an invisible killer. It undermines and destroys the very fabric of our communities and, in most cases, you do not see it coming until a crisis occurs.

Chief Frank A. Beazley, Halifax Regional Police

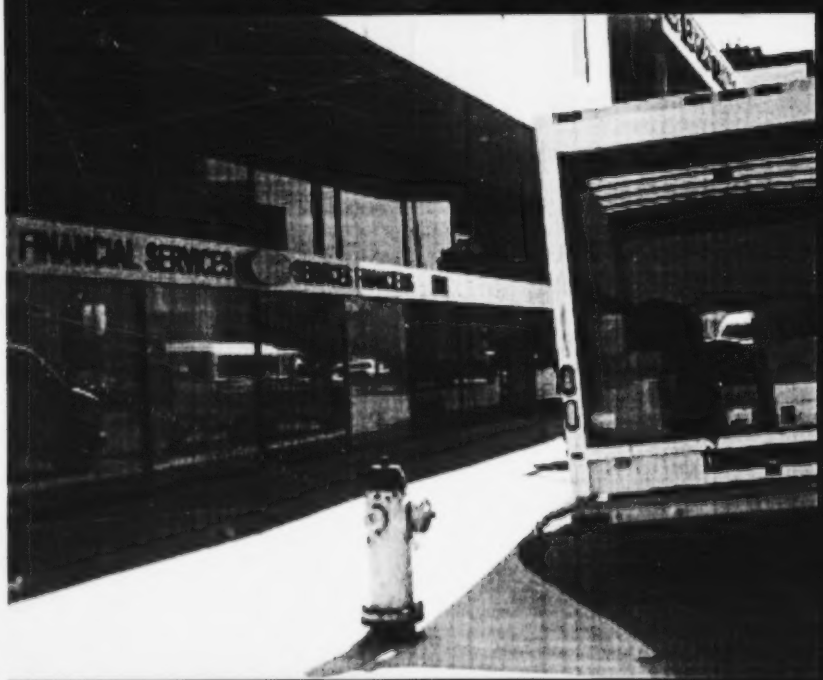
Payment card fraud, in which a single crime group can victimize hundreds of people, remains a serious financial threat in Canada. According to the Canadian Bankers Association, credit card fraud in Canada resulted in losses of $201 million to major credit card companies in 2005. The majority of credit card losses (77%) are derived from counterfeit cards and stolen credit cards used to make fraudulent purchases through the Internet, mail order or by telephone. In the same year, debit card fraud from skimming resulted in losses of $70.4 million.

Mortgage fraud is the deliberate use of misstatements, misrepresentations or omissions to fund, purchase or secure a loan.

Some criminal groups concentrate solely on mortgage frauds, while others are simultaneously involved in multiple criminal markets or use mortgage frauds to facilitate other criminal activities, such as marihuana grow operations. Crime groups generally undertake multiple fraudulent mortgages simultaneously, ranging from several dozen to hundreds per group, with losses often numbering in the tens of millions of dollars. Given this level of financial harm and the numerous mortgage fraud cases nationally, mortgage fraud will remain a significant economic threat to financial institutions.



Commonly observed securities frauds in Canada are illicit offshore investments, fraudulent high-yield investments such as Ponzi (pyramid) schemes, and illegal market manipulation. Many securities fraud schemes are national or transnational in scope, potentially targeting thousands of investors from multiple countries. The stock market is highly attractive to organized crime as it can be used to launder money and conduct illicit market manipulation.



Intellectual Property Theft

Recent years have seen an increase in the diversity and number of dangerous counterfeit products being brought into or illegally manufactured in Canada. These products are sold in a variety of sales venues, sometimes extending to large retail chains. The intermingling of counterfeit goods with legitimate ones lessens the risk of detection, widens the scope of distribution and increases the likelihood that consumers will unwittingly receive unsafe counterfeit goods. Across the country, multiple criminal groups are involved in the manufacturing, importation and distribution of counterfeit products.

Human Smuggling and Trafficking

Canada continues to be a destination and transit country for smuggled and trafficked individuals, with some people forced into labour or sexually exploited in environments such as private clubs and massage parlours. However, the scope of these criminal activities in Canada is a small percentage of the international (or even the North American) criminal market.

According to the United Nations Convention Against Transnational Organized Crime, human smuggling refers to the facilitation of illegal entry of a person into a country for financial gain. In contrast, human trafficking involves the displacement of an individual by means of coercion, deceit or violence for the purpose of exploitation.

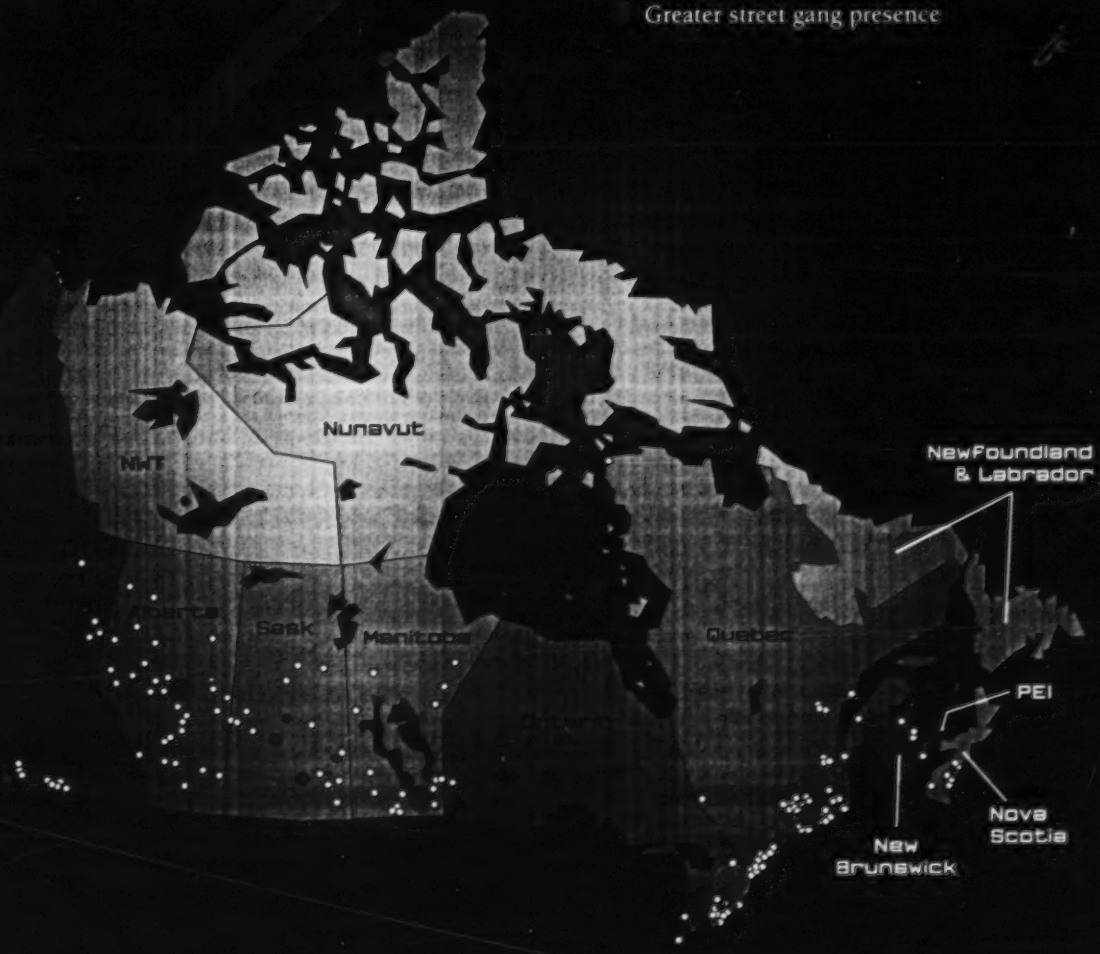
Vehicle Theft

Approximately 170,000 vehicles are stolen each year in Canada, with Toronto and Montreal being major source locations. According to the Insurance Bureau of Canada, the current rate of recovery of stolen vehicles is approximately 70% nationally.

A significant number of unrecovered vehicles (especially newer luxury models) are typically smuggled by criminal groups to foreign markets concealed in containers and moved through the marine ports of Vancouver, Montreal and Halifax. Other vehicle theft schemes of note include stripping vehicles of parts for re-sale and exporting leased vehicles after declaring them stolen.

The Insurance Bureau of Canada estimates that the costs associated with vehicle theft exceed one billion dollars annually, resulting in theft coverage premiums averaging $43 per insured vehicle.

Street Gang Activity



Feature Focus

Street Gangs in Canada

Introduction

Street gang is a term that law enforcement in Canada has traditionally used to categorize crime groups that consist predominantly of young males from a similar ethnic background who have a group name identifier that may be complemented with common gang paraphernalia, tattoos, clothing and induction rituals. As well, they were often engaged in lower levels of criminality usually based within a specific geographical area, particularly larger urban centres, and in some manner linked to the illicit drug trade.

The challenge for law enforcement is to adapt constantly in order to effectively respond to organized crime groups that form alliances in order to achieve their goals. Intelligence is the key to success.

Chief William Blair,
Toronto Police Service

This profile continues to have some validity, though emerging street gangs may be more multi-ethnic in their membership with an increased presence within smaller urban communities and rural areas. The majority of street gangs across Canada still operate at a lower level of criminality, with no apparent ambition or capability to expand from their defined area of operation. Some street gangs are more sophisticated than others and are capable of multiple higher-level criminal activities within a criminal market and with an expanded geographical scope.

Street gang activities often impact more directly on the general public as well as the operations of law enforcement. Street gang criminality in many jurisdictions is a daily occurrence requiring a constant allocation of police resources. Street gangs pose a further public safety threat through their high propensity for violence. While most organized crime groups will use violence to advance their criminal ventures, it is not typically utilized with the regularity, spontaneity and disregard for public safety displayed by street gangs.

As street gangs are clearly a concern for many Canadians, and because these groups are a significant component of the Canadian organized crime environment, they serve as an appropriate topic for this year's Feature Focus.

Organized crime in the form of outlaw motorcycle gangs and localized street gangs poses a significant threat to society both in terms of street crime and its associated violence. However, the investment of the proceeds of crime in legitimate business enterprises is an even more insidious threat.

Chief Jack Ewatski, Winnipeg Police Service
President, Canadian Association of Chiefs of Police

General Trends

Street Gangs are Organized crime

Street gangs are very much a part of the organized crime phenomenon in Canada. While street gangs have been in existence for over a century in Canada, their current form began to emerge in the 1980's, perhaps in conjunction with an overall increase in cocaine smuggling and distrution networks. Currently, street gangs are characterized by their involvement in the street-level trafficking of illicit drugs, in addition to their use of specific gang identifiers and paraphernalia.

Number of Street Gangs

Over 300 street gangs have been identified in Canada, with an estimated 11,000 gang members and associates operating across the country. The gangs are primarily local in scope, with only a limited number having inter-provincial and international criminal links. While some Canadian street gangs identify themselves as Crips or Bloods, these gangs are independent from the U.S.-based Bloods or Crips.

Demographics

Street gangs are primarily comprised of adults between the ages of 20 and 30 years, though some do have members under 18. There are multicultural street gangs as well as those that are ethnically homogeneous. Gang composition is generally determined by the demographics of the community where the gangs are located. Previously, street gangs were primarily concentrated in large urban centres across Canada. However, cells within existing street gangs as well as emerging street gangs are now affecting many other urban centres, rural areas and Aboriginal reserves.

Street Gangs in Canada

Street Gang Structure

The structure of street gangs tends to be either family/friendship-based or hierarchical in nature. Some hierarchies have multiple cells that facilitate the street-level distribution of illicit commodities, particularly drugs and weapons. Ethnically homogenous gangs tend to operate within a fixed area and are generally found in lower income urban areas. This type of street gang is prevalent in the Prairies, Toronto and Montreal.

Criminal Capabilities

The majority of street gangs across Canada have lower-level criminal capabilities and are primarily involved in street-level crimes, such as drug trafficking or theft. However, several gangs have more sophisticated capabilities and are involved in criminal activities at a higher level than the average street gang. For example, the importation or production of illicit commodities like drugs or counterfeit goods generally requires a higher level of criminal sophistication than street-level crimes.

Violence

While street gang-related violence is not a new phenomenon, a recent increase in gang-related violence is being reported across the country. This violence is often related to street gang expansion, recruitment and encroachment on other criminal groups' territory. The degree of violence utilized differs by region and gang. Street gang violence may be planned to promote and protect the gang's interests, such as targeting rival gang members or resources. However, gang violence can also be spontaneous and opportunistic, resulting in intentional or unintentional harm to the general public from drive-by shootings, street gang cross-fire and mistaken identities.

Intimidation

Murder, shootings, assaults, property damage and threats against law enforcement, corrections staff, justice personnel and crime witnesses continue to be reported across Canada. The threat of retaliation by the street gang, directed either at the individual involved or that person's family, has at times impeded the justice system, resulting in withdrawn charges or reduced sentences. Witness intimidation remains a significant law enforcement concern as public fear of street gang retaliation has made some communities fearful of co-operatinging with police.

Weapons

Street gangs use a wide variety of weapons across the country including swords, knives, machetes, hammers, screwdrivers and firearms. Illicit firearms used by street gangs are typically acquired through residential or commercial thefts, or are smuggled into the country from the United States. In some instances, street gangs are directly involved in acquiring these illicit firearms, though more often the firearms are acquired indirectly through an illicit firearms trafficker.

Range of Criminal Activities

Street gangs are most prominently involved in illicit drug distribution and the sex trade. Their sex trade involvement nationwide includes street-level prostitution, escort agencies and exotic dancing establishments. Some gangs recruit women, including minors, into the sex trade and transport them to various locations across Canada – sometimes through intimidation and threats of violence. Street gangs are also active in robberies, home invasions and to a lesser extent, fraud, and the counterfeiting of currency and merchandise.

Illicit Drug Distribution

Street gangs are predominantly active as street-level traffickers of crack cocaine, cocaine, marihuana and synthetic drugs. Other organized crime groups – like outlaw motorcycle gangs, Italian or Asian criminal groups – generally supply them the illicit drugs. Drug distribution methods and practices vary among street gangs. In Western Canada, street gangs operate mobile, street-level distribution networks commonly known as "dial-a-dope" operations. In contrast, street gangs in Ontario, Quebec and the Atlantic provinces tend to use specific locations that are informally designated by the gangs as trafficking zones.

Money Laundering and the Use of Legitimate Businesses

Most profits from street gang criminality are directed towards maintaining a particular lifestyle. A limited number of gangs are involved in money laundering and, to a lesser degree, purchasing legitimate businesses with the proceeds of crime. The majority of these businesses – such as restaurants and clothing stores – are used to advance criminal enterprises or promote gang-related interests.

Exploitation of Correctional Institutions

Some incarcerated gang members are involved in gang recruitment and criminal activities inside federal and provincial correctional institutions, as well as occasionally influencing gang activities outside institutions. Gang members and associates continue to network within the correctional system, transferring information about criminal activities as well as promoting gang interests. In some cases, gang members mature criminally while in prison, demonstrating a greater awareness of law enforcement tactics upon release.

Provincial and Territorial Overviews

Yukon Territory, Northwest Territories and Nunavut

There are no identified street gangs or gang activity in the Yukon or Nunavut. Members of Alberta-based street gangs are involved in the street-level trafficking of various drugs in the Yellowknife area of the Northwest Territories.

Detecting, disrupting and dismantling organized crime activity is important, but we also must collectively be vigilant in not allowing organized crime to take roots in the first place. This only happens when the community becomes involved with law enforcement, and takes steps to remove organized crime from their neighbourhoods.

RCMP Assistant Commissioner Steve Graham, Commanding Officer, J Division (New Brunswick)

British Columbia

Most of the 20 street gangs identified are concentrated in the Lower Mainland with little gang-related activity in rural areas. Generally, street gangs obtain their supply of illicit drugs from Hells Angels chapters, Asian and independent organized crime groups. These drugs are often trafficked through "dial-a-dope" operations. A limited number of street gangs are able to create their own supply of drugs through the

cultivation of marihuana, production of methamphetamine and the importation of cocaine. Street gangs primarily distribute crack cocaine, cocaine, marihuana and to a lesser extent methamphetamine. In contrast to street gangs in other parts of the country, heroin is being trafficked by B.C. street gangs. Currently, there is tension between some street gangs and other organized crime groups such as the Hells Angels, creating the potential for violent conflict.

Alberta

Approximately 30 street gangs have been identified, with a primary involvement in trafficking crack cocaine. Most street gangs obtain illicit drugs from Asian criminal groups and outlaw motorcycle gangs. To a lesser extent, some street gangs receive illicit drugs from other crime groups based in B.C. Street gangs in Alberta, like their counterparts in B.C., tend to traffic drugs through dial-a-dope operations. Some gangs with multiple cells that operate drug trafficking networks throughout the province and stretch into neighbouring provinces and territories present particularly serious threats. Aboriginal street gangs are also prevalent in the province, trafficking street-level quantities of drugs between Edmonton and various Aboriginal reserves where gang members and associates may have family or personal ties. Firearms, particularly sawed-off shotguns, are used to undertake home invasions and robberies as well as to intimidate rivals and the general public.

Saskatchewan

A total of 21 street gangs have been identified in the province. Street gangs in Saskatchewan are active in urban and rural areas with gang associations and criminal activities extending to many Aboriginal reserve areas. Family and personal ties between gang members and communities facilitate gang-related interests and activities. However, conflict has emerged between street gangs and other organized crime groups over criminal market share and gang expansion into new territory. Currently, street gangs operate independently of each other and consequently operate locally. Following trends in violence and the use of weapons in B.C. and other Prairie provinces, street gangs use a wide variety of weapons, depending on the gang's intention.

Street Gangs in Canada

Manitoba

Of the 25 street gangs identified, most are concentrated in the Winnipeg area with some gangs active in rural areas and Aboriginal reserves. The demographics are representative of the multicultural urban communities in the province. Gang members tend to use personal and family associations within their respective communities in order to cultivate and maintain criminal markets, such as supplying illicit drugs. Similarly, gangs with Aboriginal members or associates that have links to rural and reserve areas capitalize upon those ties to recruit new members as well as further their criminal activities.

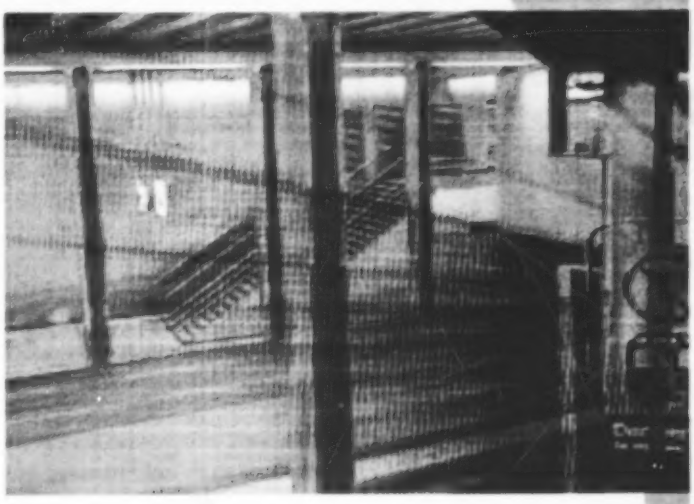
Ontario

There are approximately 80 street gangs currently active in Toronto with an additional 95 identified in the following regions of Ontario: York (Vaughan, Markham and Richmond), Peel, Waterloo/Kitchener, Thunder Bay, Niagara Falls and Ottawa. As in other parts of the country, street-level drug trafficking is the major criminal activity, particularly involving cocaine or crack cocaine, as well as marihuana and ecstasy. In addition, a number of street gangs are reported to be involved in street-level prostitution, with a few also linked to the production of pornography. In Toronto, street gangs may have distinct territories in low-income housing areas that are subject to regular incidences of violence, often firearm-related. The street gang presence within these communities can create an intimidating atmosphere and an often dangerous environment for its residents. Street gangs in the city often reflect the predominant ethnicity of its claimed territory.

Gun violence is prevalent among street gangs in the Greater Toronto Area with continued reporting of drive-by shootings, attempted murders and murders involving firearms. Firearms, particularly handguns, are the weapons of choice amongst Ontario street gangs. Some gang members routinely carry a handgun that can be immediately displayed, or used, as a response to real or perceived threats or insults in their daily interactions.

Organized crime tears at the fabric of our society and makes victims of all law-abiding Canadians.

Chief Mike Boyd, Edmonton Police Service



Quebec

There are approximately 50 established and emerging street gangs identified, most of which are ethnically homogenous, such as those of Caribbean or Hispanic composition. Several gangs are considered to have a higher level of criminal capability and primarily operate in the greater Montreal region and other urban areas. Some gangs are criminally active or influence gangs in New Brunswick and southern Ontario. Quebec street gangs are often divided by broad alliances that can potentially increase gang-related violence as these alliances create even further opportunities for violent chance encounters or retaliatory events involving rivals. Some gangs may have similar names but usually operate independently. Others have associations with other organized crime groups within the province, particularly involving Italian criminal groups or the Hells Angels.

Various Caribbean-based street gangs are involved in the sex trade, in conjunction with the illicit drug trade. These gangs will often concentrate their efforts within either escort agencies and exotic dancing establishments or street-level prostitution. Similar to street gangs in Ontario, handguns are readily available to gang members for use in response to real or perceived threats or insults.

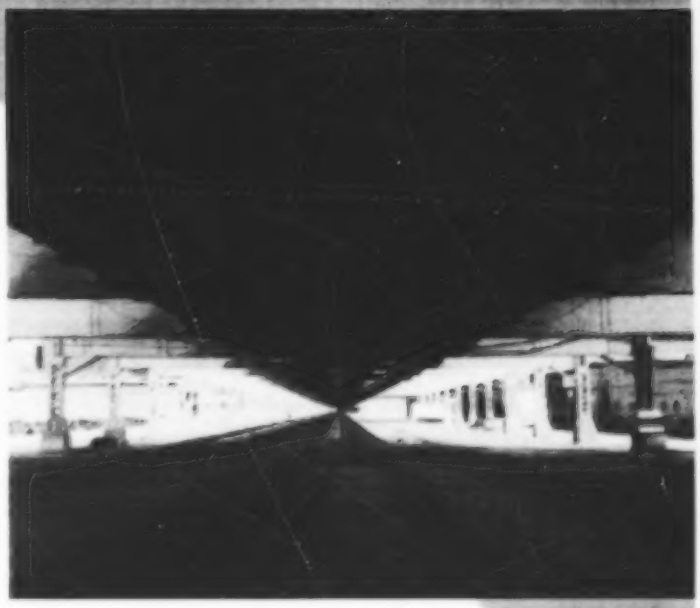
Atlantic Provinces

Existing and emerging street gangs have been identified in Nova Scotia (10) and New Brunswick (7), with none identified in Prince Edward Island or Newfoundland and Labrador. They are typically involved in street-level drug trafficking of cocaine and crack cocaine. Some street gangs in Atlantic Canada are involved in the procuring of adult and underage females for exotic dancing and street-level prostitution. Street gang violence throughout the Atlantic provinces is generally less frequent and at a lower level than the rest of the country, rarely involving guns or knives.

Looking to the Future

Criminal Markets

The illicit drug trade in Canada is fed by a consumer demand that will not diminish in the near future. This market will continue to provide organized crime groups with their largest source of illicit earnings. Regional illicit drug markets should experience only temporary market fluctuations in supply driven by the dynamics of supply and demand. The much larger neighbouring U.S. consumer market and its greater potential for even higher illicit profits will continue to encourage an increasing domestic production of marihuana and synthetic drugs, particularly ecstasy and methamphetamine.



Organized crime exists in more than one form. A challenge for police is to communicate with the public and officials in a way that explains and makes clear the continuum represented from street gangs through to international criminal enterprises. Organized crime needs to be recognized in its infancy as well as in its maturity if we are to be successful in dismantling it.

Chief Cal Johnston, Regina Police Service

Criminal groups will remain involved in a variety of frauds throughout Canada, with the social and economic repercussions representing significant threats to both individual Canadians and financial institutions. Financial institutions will remain vulnerable to money laundering with criminal groups continuing to exploit the legitimate business community by laundering illicit proceeds, reinvesting criminal proceeds and undertaking activities like the illicit manipulation of stock markets.

Organized crime in Canada will continue to pose serious safety threats to the public through involvement in criminal activities ranging from counterfeit goods, to human smuggling and trafficking, to the sex trade. In addition, criminal groups will continue to use violence and intimidation as a key method through which to deter witnesses and community crime prevention efforts and impede law enforcement and the judicial system.

Looking to the Future

Street Gangs

Canadian street gangs will continue to pose lower-level criminal threats and remain involved in the illicit drug trade and street-level prostitution as their primary criminal activities. However, their use of violence is often spontaneously carried out in public places and represents a public safety threat. As a result, street gangs will continue to pose a serious and immediate public safety concern in the communities where they operate. In addition, the intimidation of witnesses and justice personnel negatively affects both the individuals targeted as well as the broader community.

Most street gangs are not expected to evolve into more sophisticated criminal organizations, although some key members or leaders will continue to increase their capabilities and level of sophistication in criminal activities.

Street gangs will continue to rely upon other criminal organizations for supplies of illicit drugs as the majority of street gangs do not have importation, cultivation or production capabilities. Several more sophisticated street gangs will continue to distribute illicit drugs to street gangs with more limited capabilities.